

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

TOMMY LEE PENDLEY)	
)	
COMPLAINANT)	
)	
V.)	CASE NO. 93-430
)	
LOGAN TELEPHONE COOPERATIVE, INC.)	
)	
AND)	
)	
SOUTH CENTRAL BELL TELEPHONE COMPANY)	
)	
DEFENDANTS)	

O R D E R

On November 12, 1993, Tommy Lee Pendley filed a Complaint with the Public Service Commission (the "Commission") against Logan Telephone Cooperative, Inc. ("Logan"). In his Complaint, Mr. Pendley alleges that he does not receive local calling privileges to his county seat in Muhlenberg County or to other areas in Muhlenberg County. He also complains that his 911 emergency service calls are routed to Butler County instead of to Muhlenberg County, resulting in loss of response time in emergency situations. A number of Mr. Pendley's neighbors also receive service from Logan and are subject to the same conditions, while others receive service from South Central Bell Telephone Company ("SCB") under a "grandfather" agreement arising from prior litigation.

The Commission ordered Logan to satisfy or answer Mr. Pendley's Complaint. Logan's response offered no solution to the

problem without the involvement of SCB; therefore, the Commission joined SCB as a party to the proceeding and ordered it to respond. After the parties met with Commission Staff in informal conference, SCB and Logan filed a joint proposal on April 4, 1994. This proposal involved the exchange of certain service areas discussed at the informal conference. By Order dated July 20, 1994, the Commission authorized implementation of the joint proposal on the condition that affected customers, who were to be notified by Logan and SCB, filed no objections within 60 days.

Subsequently, numerous letters objecting to the proposed exchange were filed with the Commission. The majority of the letters were from residents of the "Little Bend" area of Butler County. Among their concerns is the fact that, because the Green River restricts their access to their county, emergency and medical services from Ohio County are more easily accessible to them than are those services in Butler County. Consequently, they wish to retain their current local calling area.

On September 21, 1994, the Commission ordered Logan and SCB to suspend the implementation of the joint proposal and advise the Commission as to whether their joint proposal could be amended to exclude the residents of the "Little Bend" area. The Order also instructed SCB and Logan to include with any amended proposal certain information regarding [1] services to customers who would be affected by the amended joint proposal, [2] construction necessary to implement the amended joint proposal, and [3] an

estimate of costs to be incurred by each utility in implementing the amended joint proposal.

On November 28, 1994, Logan and SCB filed an Amended Joint Proposal, appended hereto as Appendix A. The Amended Joint Proposal excludes the "Little Bend" residents from the proposed exchange, includes residents of the areas of the Elkton and Guthrie exchanges in Logan County, and provides for a negotiated compensation settlement from Logan to SCB. The Amended Joint Proposal also commits SCB and Logan to offer an Area Calling Service type plan in the Dunmor and Greenville exchanges as soon as such plan can be formulated, and to resolve the 911 problem by implementation of the Muhlenberg County 911 system through operation of the Selective Routing feature.

The Commission has reviewed both the Amended Joint Proposal and the responses to its information request of September 21. The Commission recognizes that this resolution is unique to the circumstances presented in this case. The Commission finds that the Amended Joint Proposal is reasonable, given the limited number of customers involved and the apparent lack of adverse effect upon them.

The Commission being sufficiently advised, IT IS HEREBY ORDERED that:

1. A copy of this Order shall be served by Logan and SCB upon all customers included in the Amended Joint Proposal along with an explanation of the proposed rate changes which would be

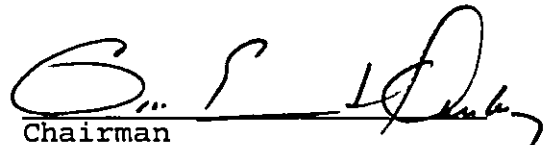
incurred by each customer. Proof of notification shall be filed by Logan and SCB within 30 days of the date of this Order.

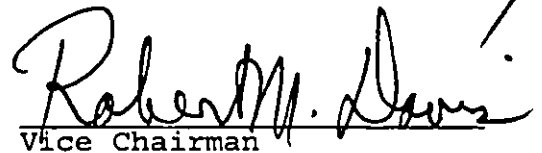
2. Customers of SCB and Logan are hereby notified that the Amended Joint Proposal will be implemented unless their objections are filed with the Commission not later than 60 days from the date of this Order.

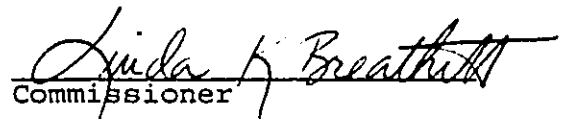
3. If no customer objections are filed within 60 days of the date of this Order, the Amended Joint Proposal will be adopted and SCB and Logan Telephone shall implement the provisions of the Amended Joint Proposal without further Order.

Done at Frankfort, Kentucky, this 16th day of December, 1994.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director

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BELLSOUTH TELECOMMUNICATIONS, INC.)	
d/b/a SOUTH CENTRAL BELL TELEPHONE)	
COMPANY)	
)	
DEFENDANTS)	

AMENDED JOINT PROPOSAL OF
SOUTH CENTRAL BELL TELEPHONE COMPANY
AND LOGAN TELEPHONE COOPERATIVE, INC.

The complainant, Tommy Lee Pendley, initiated this case with the Public Service Commission seeking to address certain concerns he had regarding his telephone service. On March 16, 1994, representatives of Logan Telephone Cooperative, Inc., (herein, "Logan"), and South Central Bell Telephone Company (herein, "South Central Bell"), and the Commission staff met with Mr. Pendley and members of his family at an informal conference. Mr. Pendley essentially had two concerns with his telephone service. First, Mr. Pendley was concerned that his 911 calls were routed to Morgantown (the county seat of Butler County) rather than to Greenville, the county seat of Muhlenberg County, the county in which Mr. Pendley lives and from which he receives emergency services. Second, Mr. Pendley was concerned that he

could not call his county seat nor virtually any other Muhlenberg County location on a local basis.

The calling needs of other Muhlenberg County residents, who are located in the Dunmor exchange, were also discussed. These customers do not have local calling to Greenville, and calls to 911 are transferred through Russellville rather than being directly routed to emergency services in Muhlenberg County.

After extensive discussions, it became clear that Mr. Pendley's concerns involving his service could be resolved by an area exchange between Logan and South Central Bell. Therefore, the Commission asked Logan and South Central Bell to submit a joint proposal regarding an area exchange.

The joint proposal was filed with the Commission on April 4, 1994. In short, the proposal called for an exchange of service areas between the companies. Logan was to have acquired from South Central Bell the portion of the Beaver Dam exchange which is in Butler County, and South Central Bell was to have acquired portions of the Rochester exchange located in Ohio and Muhlenberg Counties.

In an order dated July 20, 1994, the Commission approved the companies' joint proposal contingent on there being no objections filed with the Commission within 60 days by those customers affected by the agreement. Because of objections raised by residents of the Beaver Dam exchange, the Commission released an order on September 21, 1994, instructing Logan and South Central

Bell to advise the Commission if the joint proposal could be amended to exclude the Beaver Dam customers.

Logan and South Central Bell have amended the joint proposal to exclude the Beaver Dam customers, and have included the areas of the Elkton and Guthrie exchanges located in Logan County. South Central Bell will also receive a negotiated compensation settlement from Logan. The amended proposal is as follows:

Amended Joint Proposal

South Central Bell and Logan propose an area transfer between the two companies which would reconcile exchange boundaries with county lines in four separate areas. The four areas are:

(1) The part of the Rochester exchange located in Muhlenberg County. This area encompasses Mr. Pendley's residence. A transfer of this area from Logan's Rochester exchange to South Central Bell's Drakesboro exchange would allow telephone subscribers to have local calling to other Drakesboro subscribers, to Greenville, the county seat, and to the other Muhlenberg county exchanges of Breman and Central City. The transfer would also allow these subscribers to reach Muhlenberg County Emergency Services with 911 service. There are currently seven subscribers in this area with South Central Bell service through a grandfathered agreement and there are ten Logan subscribers.

(2) The part of the Rochester exchange located in Ohio County. This area is just across the Green River from the area described in (1) above. Transfer of this area from Logan's Rochester exchange to South Central Bell's Beaver Dam exchange would give the five customers located in the Rochester exchange local service to the rest of Beaver Dam, to Hartford, the county seat, and to Centertown and Fordsville. Emergency services would be available from Hartford with 911 service.

(3) The part of the Elkton exchange located in Logan County. Transferring 36 customers in this area from South Central Bell's Elkton exchange to the Adairville exchange would give these customers local service to the rest of the Adairville exchange, to their county seat, Russellville, and to Auburn, Dunmor, and Lewisburg. Emergency services from Logan County would also be accessible for these customers with the 911 service.

(4) The part of the Guthrie exchange located in Logan County. Transferring 41 customers in this area from South Central Bell's Guthrie exchange to the Adairville exchange would also give these customers local service to the rest of the Adairville exchange, to their county seat, Russellville, and to Auburn, Dunmor, and Lewisburg. Emergency services from Logan County would also be accessible for the customers with 911 service.

In addition to the exchange of service areas as described above, Logan will compensate South Central Bell in the amount of \$121,000 as a settlement for the relative service acquisitions.

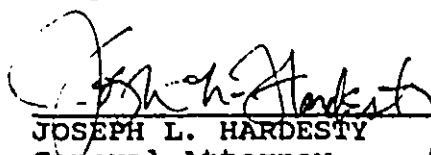
The area exchange as proposed above is based on the assumption that all four areas will be included in the exchange. If any of the four should be excluded for any reason, the proposed area exchange would be voided.

Both Logan and South Central Bell consider the area transfers as described above to be the preferred solution to the calling needs in this area. This is somewhat of a unique situation because of the specific complexities involved (incongruence of exchange boundaries with county lines, 911 availability, involvement of two telephone companies, grandfathered customers, and the relatively small number of subscribers involved). Because of the uniqueness of this situation, this proposal is not intended to set a precedent for other similar situations where calling needs do not match current local calling areas. Although South Central Bell and Logan will exchange existing outside plant in the four areas, additional investment will be required by both companies to tie into existing facilities. In the future, preferred alternatives to an area exchange would be optional services such as South Central Bell's Area Calling Service.

To address the calling needs of Dunmor subscribers in Muhlenberg County, Logan and South Central Bell commit to offer an Area Calling Service type plan in the Dunmor and Greenville exchanges as soon as the plan can be formulated, probably in early 1995. This arrangement is also contingent on the area transfer of the four areas addressed above. The 911 problem will

be resolved with implementation of the Muhlenberg County 911 system through operation of the Selective Routing feature.

Respectfully submitted,

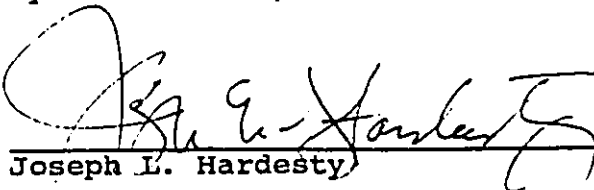


JOSEPH L. HARDESTY
General Attorney
601 West Chestnut Street, Room 407
P. O. Box 32410
Louisville, KY 40232
Telephone No.: (502) 582-8594

COUNSEL FOR BELL SOUTH TELECOMMUNICATIONS,
INC., d/b/a SOUTH CENTRAL BELL TELEPHONE
COMPANY

CERTIFICATE OF SERVICE

It is hereby certified that a copy of the foregoing AMENDED JOINT PROPOSAL OF SOUTH CENTRAL BELL TELEPHONE COMPANY AND LOGAN TELEPHONE COOPERATIVE, INC., was served by first-class mail, postage prepaid, upon Mr. Tommy Lee Pendley, Route #1, Box 404, Drakesboro, KY 42337, Mr. Joe Isenberg, Logan Telephone Cooperative, Inc., P. O. Box 97, Auburn, KY 42206, and J. Gran Clark, Jr., Esq., Clark Building, P. O. Box 116, Russellville, KY 42276, on this 28 day of November, 1994.


Joseph L. Hardesty